

Date Mailed
August 26, 1999

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Joint Applications of Wisconsin Gas Company and
Wisconsin Public Service Corporation, as Gas Public
Utilities, to sell to Wisconsin Gas Company Certain Gas
Facilities, Construct New Facilities and Provide Natural Gas
Service in the Town of Oneida, Outagamie County, and for
Approval of a New Territorial Agreement for the Town of
Pittsfield, Brown County, and the Towns of Seymour,
Oneida and Kaukauna, Outagamie County, Wisconsin

05-CG-100

**NOTICE OF PROCEEDING,
INVESTIGATION, ASSESSMENT OF COSTS
AND HEARING**

Direct Testimony Due:	September 14, 1999 – Noon
Hearing Date:	September 22, 1999 – 6:30 p.m.
Hearing Location:	Radisson Inn, 2040 Airport Drive, Green Bay, WI

THIS IS A PROCEEDING TO jointly consider the July 12, 1999, application of Wisconsin Gas Company (WGC), as a gas public utility, and the July 6, 1999, application of Wisconsin Public Service Corporation (WPS), as a gas public utility, for authority under Wis. Stat. §§ 196.49, 196.50 and 196.80, and Wis. Admin. Code ch. PSC 133, to allow:

1. WPS to sell to WGC certain gas facilities in the Town of Oneida, Outagamie County.
2. WGC to construct new facilities to serve the Town of Oneida, Outagamie County.
3. WGC to provide natural gas service in the Town of Oneida, Outagamie County.
4. And for the approval of a new territorial agreement between WPS and WGC for the Town of Pittsfield, Brown County, and the Towns of Seymour, Oneida and Kaukauna, Outagamie County, Wisconsin, and to amend previous Commission authorized service areas for WPS and WGC in those towns.

The Commission will also apply applicable provisions of Wis. Stat. § 196.81, in reviewing the applications.

The applications will be the subject of a public hearing. The public hearing will be held pursuant to Wis. Stat. § 196.81 and Wis. Admin. Code § PSC 2.71. The hearing schedule appears above.

This is a Class 1 proceeding, as defined in Wis. Stat. § 227.01(3)(a).

Background

WGC is a gas public utility as defined in Wis. Stat. § 196.01(5), with its principal office at 626 East Wisconsin Avenue, Milwaukee, Wisconsin. WGC is engaged in the business of distributing and selling natural gas to the public in the City of Milwaukee and its suburban areas and in other Wisconsin cities, villages, and towns.

WPS is a gas public utility, as defined in Wis. Stat. § 196.01(5), engaged in the distribution and sale of natural gas to the public, in the City of Green Bay and other cities, villages, and towns in northeast and north central Wisconsin.

The Commission originally granted WPS Certificates of Authority to provide natural gas service in the Town of Pittsfield in docket CA-4475 (April 27, 1965), in the Town of Seymour in docket 6690-CG-141 (October 13, 1998), in a portion of the Town of Oneida in docket CA-4820 (November 13, 1967) and in a portion of the Town of Kaukauna in docket 6690-CG-115 (June 8, 1994).

The Commission originally granted WGC Certificates of Authority to provide natural gas service in the Town of Pittsfield in docket CA-4529 (August 18, 1965), in the Town of Seymour in docket CA-4252 (September 24, 1963) and in the Town of Kaukauna in docket CA-4252 (September 24, 1963). WGC is not currently authorized to provide natural gas service in the Town of Oneida.

On June 30, 1999, WGC and WPSC entered into a new territorial agreement to replace a previous territorial agreement covering the Town of Pittsfield, dated June 3, 1966, as supplemented July 1, 1991, and to replace a previous territorial agreement covering the Towns of Seymour, Oneida and Kaukauna, dated September 5, 1967, as supplemented July 21, 1989, April 4, 1991, and October 19, 1995. The new territorial agreement assigns WPS and WGC natural gas service areas in the Towns of Pittsfield, Seymour, Oneida, and Kaukauna.

WPS has extended facilities and provided natural gas service to customers which were either outside of the areas authorized by the Commission in its Certificates of Authority or the areas assigned to WPS in the previous territorial agreements with WGC. This occurred in sections 12 and 24 of T.23N.-R.18E. and in sections 7, 29, 30, and 31 of T.23N.-R.19E. in the Town of Oneida, and in section 32 of T.22.N-R.19E. and section 5 of T.21N.-R.19E. in the

Town of Kaukauna. The requests contained in the joint applications address the customers in all of these areas.

Proposals

WPS requests that the Commission amend WPS's current Certificates of Authority for the Towns of Pittsfield, Seymour, Oneida and Kaukauna, to authorize WPS to provide natural gas service in the areas WPS is assigned to serve under the new territorial agreement dated June 30, 1999.

The applications propose that WPS will sell to WGC approximately 1,875 feet of 2" plastic gas main and 15 services and meter sets located in Section 31 of T.23N.-R.19E. in the Town of Oneida. The gas main being sold runs southwest along CTH E, starting at the intersection of CTH E and Bain Road.

The sale of these facilities will result in the transfer from WPS to WGC of 13 residential and 2 commercial customers. The applicants have indicated that the residential customers being transferred will pay slightly higher natural gas bills under WGC than they paid under WPS (estimated to be an average increase of \$2.55 per month). The commercial customers are expected to have similar or lower bills after the transfer.

WPS and WGC entered into a purchase agreement, dated June 4, 1999, which addresses the sale of these facilities and the transfer of the associated customers. The proposed purchase price of the facilities is \$14,034.

WGC proposes to construct facilities and render natural gas service in a portion of the Town of Oneida. Service to the Town of Oneida will be accomplished in part through facilities which WGC will purchase from WPS.

WGC is also proposing to install approximately 11,736 feet of new distribution main along CTH E in the Towns of Freedom (WGC's existing franchise) and Oneida to connect the gas main being purchased with WGC's existing distribution system. Other potential customers along the route of the proposed new construction could be served. The estimated direct cost of the proposed new facilities is \$53,136. The new installation will start at CTH E and Center Valley Road in the Town of Freedom. From that point a 2" plastic line will proceed northeast approximately 11,736 feet along CTH E to a tie-in point with the existing facilities being purchased, approximately 1875 feet southwest of Bain Road.

The Town of Oneida, Outagamie County, adopted an ordinance on May 19, 1999, granting WGC the authority to provide natural gas in the Town of Oneida.

As WPS is currently authorized to serve a portion of the Town of Oneida, WGC's application to serve a portion of that town, coinciding with the territorial agreement, is an application under Wis. Stat. §§ 196.49 and 196.50. Under Wis. Stat. § 196.50, the Commission must determine that the public convenience and necessity require the delivery of natural gas

service in the Town of Oneida by a second public utility. Because WPS and WGC have entered into a territorial agreement for the Town of Oneida, the Commission will consider the territorial agreement constitutes a waiver by WPS of any rights under Wis. Stat. §§ 196.39, 196.49 and 196.50, to object to the provision of natural gas service by WGC in those portions of the Town of Oneida assigned to WGC as identified in the territorial agreement. Consequently, the Commission will consider the hearing scheduled in this proceeding to be a hearing under Wis. Stat. § 196.50 only if an interested party requests such a hearing within 10 working days after the date this notice is mailed.

Project Review and Approval

NOTICE IS GIVEN that a hearing will be held on September 22, 1999, at 6:30 p.m. at the Radisson Inn, 2040 Airport Drive, Green Bay, Wisconsin. This building is accessible to people in wheelchairs. Parking for people with disabilities is available. Any person with a disability who needs accommodations should contact the case coordinator listed below.

Interests or concerns expressed outside the hearing or after the close of the hearing cannot be used by the Commission to make its decision. The record of the public hearing is the legal basis for the final decision by the Commission on this application. Customers that would be transferred from WPS to WGC or any other persons having an interest or concern about the proposal are encouraged to participate in this proceeding.

The parties are WGC and WPS. Any other person desiring to become a party shall file a request with administrative law judge Jeffry Patzke, pursuant to Wis. Stat. § 227.44(2m), within 10 (ten) days of the date of this notice.

The parties shall file an original and 14 copies of direct testimony and exhibits with the Commission and shall provide a copy to other parties. Direct testimony is due in hand by **noon on September 14, 1999**. A filing with the Commission may be made by facsimile for direct and rebuttal testimony, but the document filed by facsimile cannot exceed 20 pages. In addition, facsimile filings are due 24 hours earlier than the above date to allow time for copying. The cover sheets of a facsimile filing must state "Official Filing" and the number of pages. Copies of testimony should also be available at the hearing.

Members of the public may testify at the hearing without becoming parties and without pre-filing their testimony.

The Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicants. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicants in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

This is a Type III action under Wis. Admin. Code § PSC 4.10(3). No unusual circumstances have come to the attention of the Commission which suggest that significant environmental consequences are likely. Neither an environmental impact statement under Wis. Stat. § 1.11 nor an environmental assessment is required.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to receive this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Jeff Butson, Public Affairs Director, at (608) 267-0912.

Other questions regarding this matter may be directed to case coordinator Michael John Jaeger at (608) 267-2546.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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